REMARKS

Applicant requests favorable reconsideration and allowance of this application in view of the foregoing amendments and the following remarks.

Claims 1-13 and 44-70 are pending in this application, with Claims 1, 4, 9, 44, and 45 being independent.

Claims 1, 4, 8, 9, and 57 have been amended. Applicant submits that support for the amendments can be found in the original disclosure, and therefore no new matter has been added.

Applicants note with appreciation the indication that Claims 44 and 45 have been allowed by the Examiner over the cited art.

Submitted concurrently herewith is a Letter Transmitting Corrected Formal Drawings, which transmits corrected formal drawings incorporating the changes approved by the Examiner in the June 20, 2003 Office Action.

Claim 8 was objected to for an informality, and Claim 57 was objected to for failing to further limit the subject matter of a previous claim. Those claims have been amended in view of the Examiner comments, and Applicant believes the amendments overcome the objections. Favorable consideration and withdrawal of the objections are requested.

Applicant appreciates the indication that Claims 7, 12, 46-56 and 58-60 would be allowable if rewritten in independent form including all of the limitations of the base claims and any intervening claims. Those claims have not been rewritten in that manner at this time because, for the reasons discussed below, Applicant believes the independent claims are allowable.

Claims 1, 4, 9 and 61-70 stand rejected under 35.U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,002,800 (Donelly, et al.). Applicant respectfully traverses this rejection for the following reasons.

As recited in independent Claim 1, the present invention includes, *inter alia*, the features of comparing a determined set of spatial features to a known set of spatial features to provide a plurality of comparison output values, wherein each comparison output value is determined by a logical AND operation, and summing the plurality of comparison output values to determine a confidence level measure representing a correlation error between the spatial features of the known set and the determined set of spatial features. Support for these features can be found, for example, at least at page 27, lines 11-32 and Fig 23 of the original disclosure. Similar features are recited in independent Claims 4 and 9. Applicant submits that the cited art fails to disclose or suggest at least these features.

Donelly, et al. discloses an image detection system for detection of an image in an input pixel stream. As described, for example, at col. 6, line 64 *et seq.*, templates can be stored for each rotation of a bank note, and data such as a relative position vector between a pair of detected templates is measured. As discussed at col. 17, lines 40-55, a correlator 214 compares two sets of data and compares their relative identification fields in accordance with Table 4. If the absolute difference between the relative length and direction and the expected length and direction of the scanned pair of templates is below a threshold (such as ex or ey in Table 4), then a match is determined.

Applicant submits that Donelly, et al. fails to disclose or suggest at least the claimed features of determining a plurality of comparison output values using logical AND operations and summing the comparison output values to determine a confidence level measure. Instead, as

shown in col. 17 and Table 4 of that patent, <u>Donelly, et al.</u> compares two sets of data and only if <u>all</u> the correlations functions match is an input image detected signal 215 output from a correlator 214. Thus there is no confidence level measure derived by a summation of plural comparison output values, and there is no provision in that patent to allow a plurality of threshold values to provide different levels of confidence, as is possible in the claimed invention of Claims 1, 4, and 9.
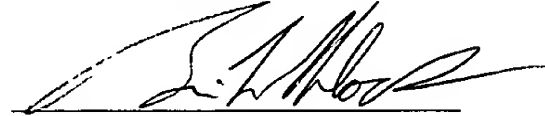
The other cited art is not understood to disclose anything that would render the deficiencies of <u>Donelly, et al.</u> Accordingly, Applicant submits that Claims 1, 4, and 9 are also patentable over the cited art.

The dependent claims are patentable at least for the same reasons as the independent claims they depend from, as well as for the additional features they recite.

In view of the foregoing, Applicant submits that this application is in condition for allowance. Favorable reconsideration, entry of this Amendment, withdrawal of the outstanding rejections, and an early Notice of Allowance are requested.

Applicant's undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should continue to be directed to our below-listed address.

Respectfully submitted,

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